

Plaintiff, complaining of Defendant, alleges and says:

- 1. Plaintiff, the North Carolina State Bar, is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina and the rules and regulations of the North Carolina State Bar promulgated thereunder.
- 2. Defendant, Nicholas A. Stratas, Jr., was admitted to the North Carolina State Bar on August 18, 1984 and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the rules, regulations and Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.
- 3. During all or a portion of the relevant periods referred to herein, Defendant was actively engaged in the private practice of law in Raleigh, Wake County, North Carolina.
- 4. During all or a portion of the relevant periods referred to herein, Defendant operated a law firm which he called Stratas & Weathers ("the firm").
- 5. Defendant maintained trust accounts in the name of the firm at Branch Banking & Trust (BB&T), Capital Bank, Paragon Bank and Fidelity Bank.
- 6. As of November 15, 2011, the BB&T trust account should have contained \$73,718.88 held in trust for the benefit of the firm's clients.
 - 7. On November 15, 2011, the BB&T trust account contained only \$875.87.

8. Defendant made the following disbursements from the BB&T trust account into an operating account maintained at BB&T in the name of the firm:

7/22/11	\$55,000.00
8/08/11	20,000.00
8/09/11	15,000.00
8/26/11	10,000.00
8/29/11	5,000.00
8/30/11	5,000.00
9/01/11	20,000.00
9/07/11	5,000.00
9/09/11	2,500.00
9/14/11	5,000.00
9/16/11	5,000.00

- 9. Neither Stratas nor the firm was entitled to any of the funds identified in paragraph 8 above.
- 10. On November 15, 2011, the Capital Bank trust account should have contained in excess of \$11.495.71 held in trust for the benefit of the firm's clients.
- 11. On November 15, 2011, the Capital Bank trust account contained only \$48.63.
- 12. Defendant made the following disbursements from the Capital Bank trust account into the firm's BB&T operating account:

8/18/11	\$5,000.00
8/22/11	8,500.00
8/23/11	2,000.00
8/23/11	4,000.00

- 13. Neither Stratas nor the firm was entitled to any of the funds identified in paragraph 12 above.
- 14. Stratas utilized the funds identified in paragraphs 8 and 12 above for his own personal benefit or for the benefit of a third party.
- 15. Stratas was not authorized by the beneficial owners of the funds identified in paragraphs 8 and 12 above to utilize the funds for his own personal benefit or for the benefit of a third party.

- 16. Stratas received from USAA a check in the amount of \$24,000.00 as a settlement or proposed settlement of the personal injury claim of Stratas' client Laura Candes.
 - 17. USAA tendered the \$24,000.00 check to Stratas in trust.
- 18. Stratas was not authorized to negotiate the check until and unless Candes accepted the settlement, executed a release of her claim against USAA, and Stratas returned the executed release to USAA.
- 19. Candes told Stratas that she was not willing to accept USAA's offer of settlement.
- 20. Candes declined Stratas' request that Candes endorse the \$24,000.00 check.
 - 21. Candes did not endorse the \$24,000.00 check.
- 22. Stratas was obligated by contract and by the Rules of Professional Conduct to return the \$24,000.00 check to USAA.
- 23. The \$24,000.00 check contains what purports to be, but is not, Candes' endorsement.
- 24. Stratas deposited the \$24,000.00 check into an operating account maintained at Paragon Bank in the name of the firm.
- 25. Stratas utilized the \$24,000.00 for his own personal benefit or for the benefit of a third party without authorization to do so from the beneficial owner of the funds.
- 26. Neither Stratas nor the firm was entitled to any of the \$24,000.00 deposited into the Paragon Bank operating account.

Therefore, Plaintiff alleges that Defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) as a violation of one or more of the following Rules of Professional Conduct in effect at the time of the conduct in that:

By utilizing entrusted funds for his own benefit or for the benefit of third parties without authorization to do so from the beneficial owners of the funds, Defendant used entrusted property for his personal benefit and/or for the benefit of third parties without authorization in violation of Rule 1.15-2(j); engaged in criminal conduct, embezzlement, that reflects adversely on his honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b); and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c).

WHEREFORE, Plaintiff prays that disciplinary action be taken against Defendant in accordance with N.C. Gen. Stat. § 84-28 and § .0114 of the Discipline and Disability Rules of the North Carolina State Bar as the evidence on hearing may warrant, that Defendant be taxed with all administrative fees and costs permitted by law in connection with this proceeding, and for such other and further relief as is appropriate.

This the Z day of May, 2012.

Margaret M. Hunt, Chair Grievance Committee

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